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This is an advance proof copy of an IRS tax form. It is subject to change and OMB approval before it is officially released. You can check the scheduled release date on our web site (www.irs.gov).

If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

2005 Form W-5



Department of the Treasury
Internal Revenue Service

Instructions

Purpose of Form

Use Form W-5 if you are eligible to get part of the EIC in advance with your pay and choose to do so. See *Who Is Eligible To Get Advance EIC Payments?* below. The amount you can get in advance generally depends on your wages. If you are married, the amount of your advance EIC payments also depends on whether your spouse has filed a Form W-5 with his or her employer. However, your employer cannot give you more than \$X,XXX throughout 2005 with your pay. You will get the rest of any EIC you are entitled to when you file your tax return and claim the EIC.

If you do not choose to get advance payments, you can still claim the EIC on your 2005 tax return.

What Is the EIC?

The EIC is a credit for certain workers. It reduces the tax you owe. It may give you a refund even if you do not owe any tax.

Who Is Eligible To Get Advance EIC Payments?

You are eligible to get advance EIC payments if **all three** of the following apply.

1. You expect to have at least one qualifying child. If you do not expect to have a qualifying child, you may still be eligible for the EIC, but you **cannot** receive advance EIC payments. See *Who Is a Qualifying Child?* below.

2. You expect that your 2005 earned income and AGI will each be less than \$XX,XXX (\$XX,XXX if you expect to file a joint return for 2005). Include your spouse's income if you plan to file a joint return. As used on this form, **earned income** does not include amounts inmates in

penal institutions are paid for their work, amounts received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan, or nontaxable earned income.

3. You expect to be able to claim the EIC for 2005. To find out if you may be able to claim the EIC, answer the questions on page 2.

How To Get Advance EIC Payments

If you are eligible to get advance EIC payments, fill in the 2005 Form W-5 at the bottom of this page. Then, detach it and give it to your employer. If you get advance payments, you **must** file a 2005 federal income tax return.

You may have only **one** Form W-5 in effect at one time. If you and your spouse are both employed, you should file separate Forms W-5.

This Form W-5 expires on December 31, 2005. If you are eligible to get advance EIC payments for 2006, you must file a new Form W-5 next year.



You may be able to get a larger credit when you file your 2005 return. For details, see **Additional Credit** on page 3.

Who Is a Qualifying Child?

Any child who meets **all three** of the following conditions is a **qualifying child**.

1. The child is:

- Your son, daughter, adopted child, stepchild, or a descendant of any of them (for example, your grandchild); or
- Your brother, sister, stepbrother, stepsister, or a descendant of any of them (for example, your niece or nephew), whom you cared for as you would your own child; or
- A foster child (any child placed with you by an authorized placement agency whom you cared for as you would your own child).

(continued on page 3)

Give the bottom part to your employer; keep the top part for your records.

Detach here

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| Form W-5 | Earned Income Credit Advance Payment Certificate | OMB No. 1545-1342 |
| Department of the Treasury Internal Revenue Service | <p>► Use the current year's certificate only.</p> <p>► Give this certificate to your employer.</p> <p>► This certificate expires on December 31, 2005.</p> | 2005 |
| Print or type your full name | | Your social security number |

Note: If you get advance payments of the earned income credit for 2005, you **must** file a 2005 federal income tax return. To get advance payments, you **must** have a qualifying child and your filing status must be any status **except** married filing a separate return.

1 I expect to have a qualifying child and be able to claim the earned income credit for 2005, I do not have another Form W-5 in effect with any other current employer, and I choose to get advance EIC payments ☐ Yes ☐ No

2 Check the box that shows your expected filing status for 2005:

☐ Single, head of household, or qualifying widow(er) ☐ Married filing jointly

3 If you are married, does your spouse have a Form W-5 in effect for 2005 with any employer? ☐ Yes ☐ No

Under penalties of perjury, I declare that the information I have furnished above is, to the best of my knowledge, true, correct, and complete.

Signature ►

Date ►